

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
KNOTT COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 01, 2014 Through June 30, 2015**



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Independent Accountant's Report
On Applying Agreed Upon Procedures

William M. Landrum III, Secretary, Finance and Administration Cabinet
The Honorable Ed Slone
Knott County Property Valuation Administrator
Hindman, Kentucky 41822

We have performed the procedures enumerated below, which were agreed to by the Finance and Administration Cabinet, Department of Revenue, and the Knott County Property Valuation Administrator (PVA) solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 01, 2014 through June 30, 2015. PVA's management is responsible for the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2015), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA maintains a receipts and disbursements ledger and reconciles bank records to books each month. We have re-performed the year-end bank reconciliation for all bank accounts. Accounts appear accurate. No exceptions were noted.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Recorded city receipts agreed to amounts confirmed from the City of Hindman. No exceptions were noted.



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The Honorable Ed Slone
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3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The PVA's recorded fiscal court receipts agree to the payments made by the fiscal court and to the amounts calculated by the Department of Revenue. No exceptions were noted.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the disbursement is for official business. Review all credit card statements (if any) to determine if disbursements are for official business.

Finding -

Disbursements selected from the ledger agreed to cancelled checks and included supporting documentation. Disbursements were for official business. The PVA did not have a credit card. No exceptions were noted.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

No capital outlay disbursements occurred during the period of July 01, 2014 through June 30, 2015.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The PVA does not have any lease agreements, personal service contracts, or professional service contracts.

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7. Procedure -

Compare PVA's final budget to actual disbursements to determine if PVA overspent in any account series.

Finding -

The PVA overspent in the 200 and 300 account series; however, there were unbudgeted receipts that would cover the overspending of the budget.

PVA's response: We will now start filing an amended budget form.

8. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Timesheets were completed, maintained, approved, and supported hours worked. No exceptions were noted.

9. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

This procedure is not necessary since there was not a change in PVA.

10. Procedure -

For newly hired employees, during July 01, 2014 through June 30, 2015, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding -

There were no newly hired employees during the period July 01, 2014 through June 30, 2015.

11. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

The PVA's office was not closed on any day other than the state's approved holidays.

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We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Finance and Administration Cabinet, Department of Revenue, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal flourish extending to the right.

Mike Harmon
Auditor of Public Accounts

May 9, 2016